

Message Text

LIMITED OFFICIAL USE

PAGE 01 GENEVA 09157 01 OF 02 161641Z
ACTION EB-08

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 NEA-11
IO-13 OIC-02 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07
ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15
JUSE-00 STRE-00 /169 W
-----101454 161715Z /46

R 161616Z JUN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC 0940
INFO AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

LIMITED OFFICIAL USE SECTION 01 OF 02 GENEVA 09157

PASS STR ELECTRONICALLY

E.O. 11652: N/A
TAGS: GATT, BR
SUBJECT: GATT - ARTICLE XXVIII NEGOTIATIONS - BRAZIL

REF: (A) STATE 151586, (B) GENEVA 8588

1. WE MET WITH BRAZILIAN DEL (BOTAFOGO ET AL) JUNE 15 TO
GIVE U.S. REACTION TO BRAZILIAN OFFER (REF B) AND TO
REQUEST ADDITIONAL CONCESSIONS AND IMPROVEMENTS AS PER
TPSC 78-74. BOTAFOGO WAS ABLE TO GIVE ONLY PRELIMINARY
REACTIONS AND WE SCHEDULED ANOTHER MEETING FOR JUNE 20
TO HEAR DETAILED BRAZILIAN RESPONSE.

2. WE AND BRAZIL DEL AGREED THAT APPROXIMATE FIGURE OF
\$220 MILLION REPRESENTS THE VALUE OF CONCESSIONS WHERE
U.S. HAS NEGOTIATION RIGHTS WITHDRAWN BY BRAZIL.

LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 02 GENEVA 09157 01 OF 02 161641Z

BOTAFOGO APPEARED PLEASED AT U.S. WILLINGNESS TO MOVE
NEGOTIATIONS FORWARD, ESPECIALLY OUR AGREEMENT TO ACCEPT
SOME CEILING BINDINGS IN COMPENSATION. ON IMPROVEMENT
OF EXISTING BRAZILIAN OFFERS (REF B), WE POINTED OUT
THAT DEGREE OF FLEXIBILITY BRAZIL WANTS BY ESTABLISHING
HIGH CEILING BINDINGS IS UNACCEPTABLE AND THAT SUFFICIENT
FLEXIBILITY EXISTED IN THE GATT IF IT BECOMES NECESSARY

TO RAISE SUCH DUTIES (I.E., ARTICLE XVIII, XXVIII).
BOTAFOGO SAID THAT POSSIBILITY OF IMPROVING OFFER MUST BE
LOOKED AT IN RELATION TO BRAZIL'S OFFERS IN MTN SINCE
GOB MUST MAINTAIN A CERTAIN RELATIONSHIP OF TARIFF RATES
WITHIN GIVEN SECTORS.

3. SINCE SOME ITEMS IN A GIVEN SECTOR ARE ON THE TABLE
IN THE MTN AND SOME IN THE ARTICLE XXVIII,
BRAZIL NEEDS TO EXAMINE ITS OFFERS IN BOTH FORA BEFORE
MAKING IMPROVEMENTS IN ONE. HE THOUGHT, HOWEVER, THAT
SOME IMPROVEMENTS WOULD BE POSSIBLE. IN RESPONSE TO OUR
REQUEST TO REEXAMINE ITEMS FROM THE ORIGINAL U.S. REQUEST
AND FROM THE U.S. TROPICAL PRODUCTS LIST, BOTAFOGO SAID
HE WOULD DO SO BUT DOUBTED THAT ANYTHING WAS POSSIBLE.
HE EXPLAINED THAT BOTH LISTS HAD BEEN CAREFULLY EX-
AMINED IN DRAWING UP THE ORIGINAL BRAZILIAN OFFERS.
BRAZIL HAD DECIDED THAT THE DEPRESSED STATE OF THE AUTO
INDUSTRY AND THE OVERCAPACITY IN TRACTOR PRODUCTION MADE
IT IMPOSSIBLE TO MAKE OFFERS IN THOSE PRODUCTS; A CON-
CESSION ON PRINTED CIRCUITS IS SIMILARLY IMPOSSIBLE
BECAUSE BRAZIL HAS A "PROJECT" IN THIS SECTOR. HE ASKED
IF U.S. WOULD BE WILLING TO EXAMINE ADDITIONAL OFFERS
NOT ON U.S. REQUEST LISTS IN ORDER TO IMPROVE TRADE
COVERAGE OF COMPENSATION PACKAGE. WE REPLIED AFFIRM-
ATIVELY BUT URGED GOB TO REEXAMINE OUR REQUESTS SINCE
THESE REPRESENTED ITEMS WE CONSIDERED QUALITATIVELY
LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 03 GENEVA 09157 01 OF 02 161641Z

MOST IMPORTANT.

4. ON APPLES AND PEARS, BRAZIL AGREED TO MAKE ITS OFFER
FOR THE PERIOD SEPTEMBER THRU JANUARY. BOTAFOGO, HOW-
EVER, SAID HE HAD NO AUTHORITY TO OFFER ASSURANCES ON
THE PRIOR IMPORT DEPOSIT SCHEME. WE NOTED THAT WE
MAINTAINED OUR REQUEST FOR A 10,000 QUOTA IN THESE
PRODUCTS, THAT WE WANTED ASSURANCES THAT THE PRIOR DE-
POSIT SCHEME WOULD NOT APPLY TO THESE QUOTA QUANTITIES
AND THAT OTHER RESTRAINTS WOULD NOT BE USED TO LIMIT
IMPORTS TO BELOW THE AGREED QUOTA.

5. QUESTION: CAN WASHINGTON DEFINE THE ACCEPTABLE
LIMITS ON THIS QUOTA? DO WE PREFER A COMBINED QUOTA
(I.E., 10,000 OR 7,000 FOR BOTH APPLES AND PEARS) OR
CAN WE ACCEPT A SPLIT QUOTA (X TONS FOR APPLES, Y TONS
FOR PEARS) AS OFFERED BY THE BRAZILIANS, ASSUMING WE
RECEIVE THE NECESSARY ASSURANCES ON ACCESS. END
QUESTION.

6. REGARDING ASSURANCES ON LICENSING AND SURCHARGES,
BOTAFOGO SAID HE HAS NO AUTHORITY TO MAKE THESE COMMIT-

MENTS AND WILL REFER THE MATTER TO BRASILIA.

7. FINALLY, AS PER INSTRUCTIONS REFTTEL WE EXPRESSED OUR EXTREME DISAPPOINTMENT THAT GOB COULD MAKE NO OFFER ON AIRCRAFT. WHILE WE RECOGNIZED BRAZIL'S RIGHTS TO WITHDRAW THESE ITEMS, THEY CONSTITUTE MAJOR TRADE ITEMS TO THE U.S. FURTHERMORE, BRAZILIAN PRACTICES OTHER THAN HIGHER TARIFFS IN THIS AND OTHER SECTORS RAISED QUESTIONS ABOUT THE COMPATIBILITY OF SUCH NTMS WITH OBLIGATIONS UNDER THE GATT. WE SAID THE U.S. WAS EXAMINING WHAT ALTERNATIVE STEPS SHOULD BE TAKEN IN THIS CASE. BOTAFOGO TOOK NOTE WITHOUT COMMENT.

8. IN ADDITION TO CLARIFICATION ON APPLES AND PEARS WE LIMITED OFFICIAL USE

LIMITED OFFICIAL USE

PAGE 04 GENEVA 09157 01 OF 02 161641Z

LIMITED OFFICIAL USE

NNN

LIMITED OFFICIAL USE

PAGE 01 GENEVA 09157 02 OF 02 161640Z
ACTION EB-08

INFO OCT-01 ISO-00 AF-10 ARA-10 EA-10 EUR-12 NEA-11
OIC-02 IO-13 AGRE-00 CEA-01 CIAE-00 COME-00
DODE-00 FRB-03 H-01 INR-10 INT-05 L-03 LAB-04
NSAE-00 NSC-05 PA-01 CTME-00 AID-05 SS-15 STR-07
ITC-01 TRSE-00 ICA-11 SP-02 SOE-02 OMB-01 DOE-15
STRE-00 JUSE-00 /169 W

-----101421 161718Z /46

R 161616Z JUN 78
FM USMISSION GENEVA
TO SECSTATE WASHDC 0941
INFO AMEMBASSY BRASILIA
AMCONSUL RIO DE JANEIRO
AMCONSUL SAO PAULO

LIMITED OFFICIAL USE SECTION 02 OF 02 GENEVA 09157

REQUEST CONFIRMATION OF U.S. REQUEST ON ORTHOPEDIC APPLIANCES (90.19.99.00). REF A NOTES U.S. IS REQUESTING BINDING AT ZERO. IS THIS CORRECT?

VANDEN HEUVEL

LIMITED OFFICIAL USE

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NEGOTIATIONS, TRADE AGREEMENTS, TARIFFS
Control Number: n/a
Copy: SINGLE
Draft Date: 16 jun 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978GENEVA09157
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Expiration:
Film Number: D780252-0422
Format: TEL
From: GENEVA
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780651/aaaabsfj.tel
Line Count: 171
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 4a26e287-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: LIMITED OFFICIAL USE
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: LIMITED OFFICIAL USE
Previous Handling Restrictions: n/a
Reference: 78 STATE 151586, 78 GENEVA 8588
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 05 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: N/A
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2325881
Secure: OPEN
Status: NATIVE
Subject: GATT - ARTICLE XXVIII NEGOTIATIONS - BRAZIL
TAGS: ETRD, BR, US, GATT
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/4a26e287-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014